

Message Text

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46

ACTION TRSE-00

INFO OCT-01 EUR-12 ISO-00 FRB-01 AID-05 CIAE-00 COME-00

EB-07 INR-07 NSAE-00 XMB-04 OPIC-06 SP-02 CIEP-02

LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01 L-02

H-02 PRS-01 PA-02 USIA-15 AGR-10 /110 W

----- 095780

R 191350Z FEB 75

FM AMEMBASSY ROME

TO SECSTATE WASHDC 9617

INFO AMCONSUL MILAN

AMCONSUL NAPLES

UNCLAS ROME 2419

E.O. 11652 N/A

TAGS: EFIN, IT

SUBJ: BANKS' PORTFOLIO INVESTMENT REQUIREMENTS

REF: ROME 1531 OF FEBRUARY 3, 1975

PASS TREASURY & FRB

1. BANK OF ITALY HAS NOW ISSUED INSTRUCTION FOR FIRST HALF 1975 RE ALLOCATION OF NEW 40 PERCENT PORTFOLIO INVESTMENT REQUIREMENT PER DECISION RECENTLY TAKEN BY INTERMINISTERIAL CREDIT COMMITTEE (REFTEL). BANKS MUST INVEST 17 PERCENT OF INCREASE IN DEPOSITS IN BONDS WITH AT LEAST 8 PERCENT COUPON RATE ISSUED BY SPECIAL CREDIT INSTITUTES WHICH GRANT INDUSTRIAL CREDIT. ADDITIONAL 8 PERCENT OF INCREASE IN DEPOSITS MUST BE INVESTED IN MORTGAGE BONDS, WITH MINIMUM COUPON RATE OF 7 PERCENT. FINAL 15 PERCENT OF INCREASE IN DEPOSITS MUST BE INVESTED IN GOVERNMENT BONDS, BONDS OF AUTONOMOUS STATE ENTITIES, CCOP BONDS (WHEN ISSUED FOR ACCOUNT OF TREASURY), BONDS ISSUED TO FINANCE AGRICULTURAL IMPROVEMENTS, BONDS TO FINANCE PUBLIC WORKS AND OTHER SECURITIES AS DETERMINED BY BANK OF ITALY. AGAINST LATTER 15 PERCENT REQUIREMENT, BANKS MAY COUNT UP TO

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5 PERCENT IN FORM OF NEW HOSPITAL DEBT CONSOLIDATIONA CERTIFI-

CATES.

2. BANKS WILL BE REQUIRED TO MAKE QUARTERLY REPORTS TO
DEMONSTRATE COMPLIANCE WITH PORTFOLIO INVESTMENT REQUIREMENT.
PRESS REPORTS THAT ANNUAL INCREASE IN BANK DEPOSITS IS
ESTIMATED AT 13,000 BILLION LIRE, SO THAT 40 PERCENT REQUIREMENT
WOULD RESULT IN PURCHASE OF 5200 BILLION LIRE IN THESE BONDS
DURING 1975. (NOTE THAT BONDS PURCHASED MUST BE NEW ISSUE.)
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT CONTROLS, COMMITTEE MEETINGS, PRIME INTEREST RATES, BANKS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ROME02419
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750059-0558
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750231/aaaabbzb.tel
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Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION TRSE
Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
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Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 ROME 1531, 75 OF FEBRUARY 3, 75 1975
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Review Date: 14 MAY 2003
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Review Exemptions: n/a
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Margaret P. Grafeld
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EO Systematic Review
05 JUL 2006

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Review Withdrawn Fields: n/a
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TAGS: EFIN, IT
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Type: TE
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